



Retail Research	: IPO Note
Sector	: Railway Signalling & Infrastructure
Price Band (INR)	: 164 to 174
Issue Type	: Bookbuilding IPO

About The Company

Ye company railway engineering solutions ki system integrator hai, jiska matlab hai ki ye design se leke final commissioning tak poora railway project end-to-end manage karti hai. Company ka core focus railway signalling, telecom systems, electrification (OHE), private rail sidings aur turnkey railway projects par hai, aur ye kaam Indian Railways, metro projects aur private industries (steel, cement, ports, power plants) ke liye karti hai. FY2010 se active hone ke saath iske paas 15+ saal ka execution experience hai aur India ke alawa kuch international markets me bhi presence hai. Hyderabad aur Nagpur Metro ke CBTC signalling, Mumbai Metro Line-3 ke platform screen doors, Kavach related works aur Vizag Steel Plant jaise large private sidings jaise projects is baat ka proof hain ki ye sirf small contractor nahi balki complex aur safety-critical projects execute karne wali company hai.

Company ki order book kaafi strong hai – 30 June 2025 tak 49 ongoing contracts ke saath ₹439.6 crore ka pending order value, jo signalling & telecom, electrification, civil-track works aur system integration jaise segments me spread hai. Iska matlab hai ki agli 2–3 saal ki revenue visibility already locked-in hai. Indian Railways ki taraf se signalling modernization (Kavach, electronic interlocking, automatic signalling) ek bada opportunity ban rahi hai, jisme company ne apna EDRC (Engineering Design & Research Center) establish kiya hai, jahan in-house design, simulation aur testing hoti hai. Isse company execution se aage badhkar technology-oriented player ban rahi hai.

Manufacturing aur “Make in India” angle ke liye company ne 100% subsidiary – Nova Control Technologix Pvt Ltd banayi hai, jiska focus railway signalling products ka design aur manufacturing hai, taaki OEM dependency kam ho. Tata Elxsi ke saath Kavach co-development agreement long term me IP creation, margin expansion aur export potential ka strong signal deta hai. Company ka asset-light execution model bhi ek key strength hai – design, engineering aur system integration in-house rakha gaya hai, jabki civil works aur installation outsource hote hain, jisse low fixed assets, better ROCE aur scalable growth possible hoti hai.

425+ employees ke saath company 15+ states me projects execute karti hai, jahan har state me Project Implementation Units (PIUs) hone se coordination better rehta hai aur delays kam hote hain. Client base me zonal railways, rail PSUs, metro corporations aur large private players shamil hain, aur complex projects ke liye JVs aur consortiums ka use karke eligibility aur scale dono improve kiye jaate hain. Financially bhi picture strong hai – FY23 se FY25 ke beech revenue aur profit dono ~36% CAGR se grow hue hain, jo operational leverage aur execution capability ko clearly show karta hai.

Overall, ye company ek pure railway modernization play hai jo government railway capex cycle se directly benefit karti hai. End-to-end capability, strong order book, asset-light model, experienced management aur R&D + own product strategy isse sirf ek story stock nahi balki long-term scalable railway engineering platform banati hai. Agar kisi investor ko railway infrastructure aur signalling theme pasand hai, toh ye company definitely serious contender ke roop me dekhi ja sakti hai.

Issue Details	
IPO Open Date	26-Dec-25
IPO Close Date	30-Dec-25
Price Band (Rs)	164 to174
Lot Size	800 Shares
Issue Size (Rs Cr)	48,40,000 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	NSE, SME
Share Holding Pre Issue	1,24,17,570 shares
Share Holding Post Issue	1,72,57,570 shares
QIB Share	47.45%
Retail Share	33.26%
NII Share	14.25%
Promoter Holding Pre Issue	45.19%
Promoter Holding Post Issue	32.51%

Shareholding Pattern	
Zephyr Mantra LLC	29.02%
Ventureast ETOE LLP	12.65%
Sourajit Mukherjee	3.09%

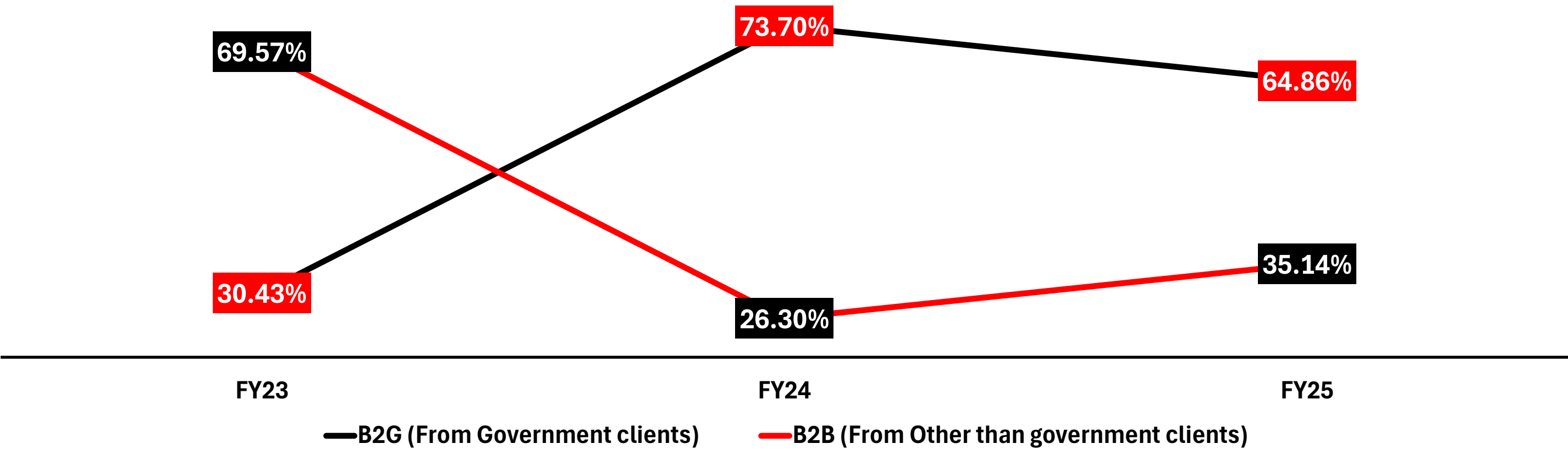
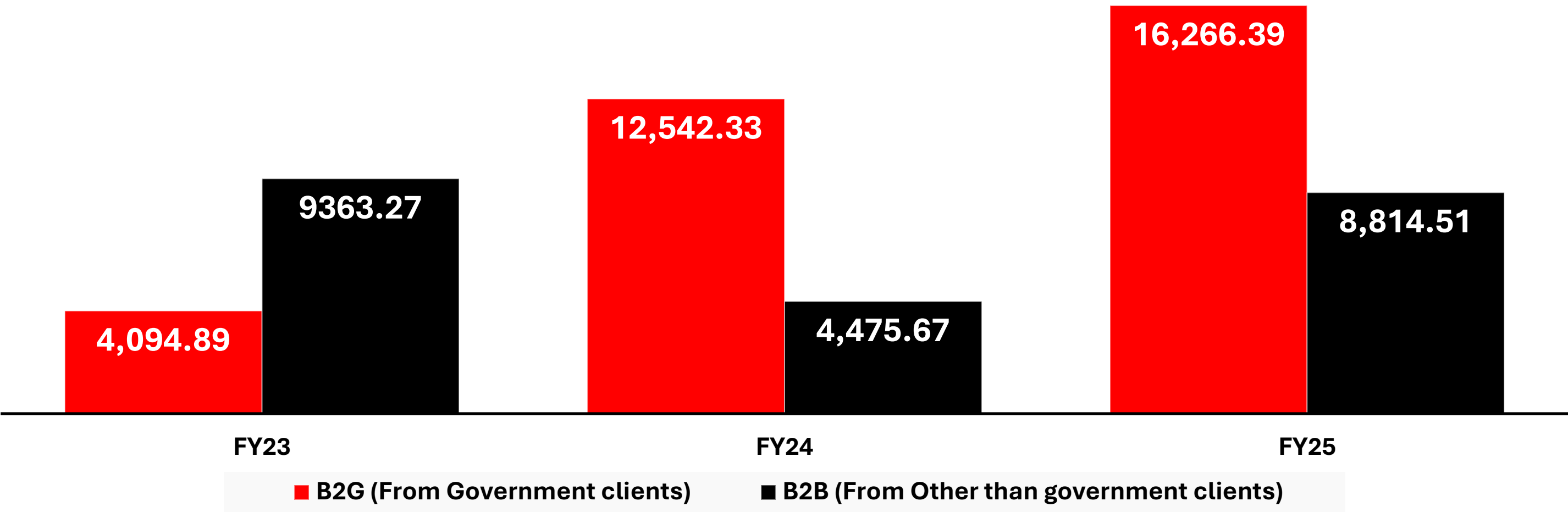
Objects of the Issue	Estimated Amount (INR Cr.)
To meet working capital requirements	70



RISK

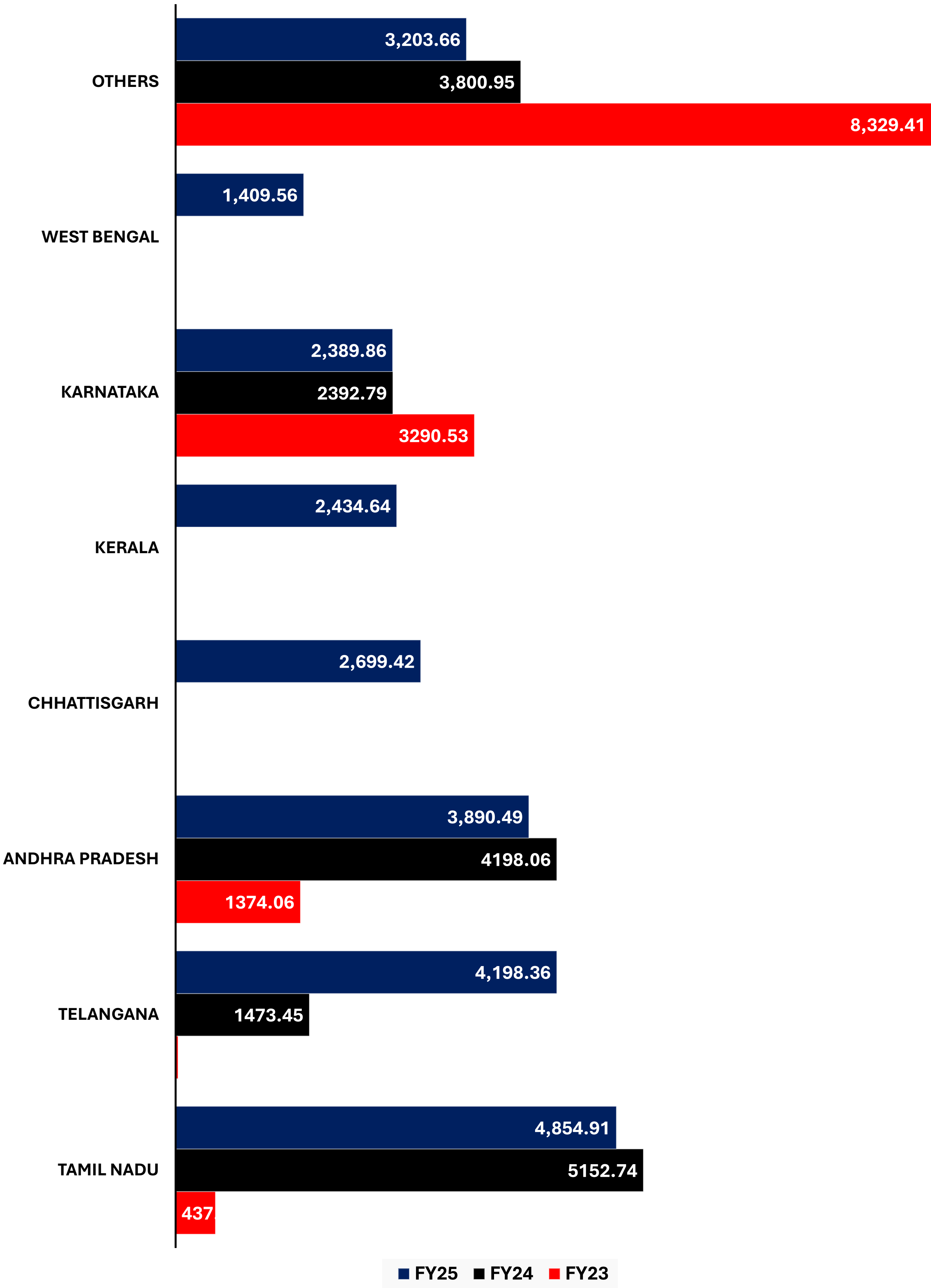
- Company ka business limited customers aur government (Indian Railways) par highly dependent hai, isliye agar railway capex slow hua, projects delay hue ya payments late mile toh revenue aur cash flow directly impact ho sakte hain. Railway projects nature se complex hote hain, jahan approvals, land, coordination aur technical issues ki wajah se execution delay, penalties, reputation damage ya contract cancellation ka risk rehta hai. Order book future visibility deta hai, lekin cancellation, scope change ya delay ke chalte ye guaranteed revenue nahi hota. Government clients se receivables delay hona common hai, jo working capital pressure aur cash flow stress create karta hai.
- Company aur subsidiaries kuch legal cases aur contingent liabilities me involved hain, jinke adverse verdict se one-time loss aur balance sheet pressure aa sakta hai. Business tender-based hai, jahan intense competition aur aggressive bidding ki wajah se margins under pressure reh sakte hain. Asset-light model ke chalte company third-party vendors aur subcontractors par depend karti hai; agar vendor delay, quality ya compliance fail kare toh project aur profitability hit hoti hai. Railway EPC business working-capital intensive hai, isliye payments delay hone par growth aur interest cost dono par impact aata hai.
- Signalling aur system integration me skilled manpower aur OEM/technology partners critical hain; talent retention ya supply-chain disruption se cost aur timelines slip ho sakti hain. Industry highly regulated hai safety, approvals aur licenses me delay ya non-compliance se penalty, blacklisting ya contract risk ban sakta hai. Tender stage par wrong cost estimation project ko low-margin ya loss-making bana sakti hai. Promoters relatively recent entrants hain, isliye governance aur track record monitoring investors ke liye important rahega. Kuch subsidiaries/JVs past me loss-making rahi hain, jinke continue hone par consolidated profits par pressure aayega.
- Growth government capex cycle se tied hai; budget cut ya policy delay se order inflow slow ho sakta hai. Projects ki high technical complexity (hardware, software, legacy systems) coordination failure par re-work, cost overrun aur delay ka risk laati hai. Technology fast evolve ho rahi hai (Kavach, CBTC, ETCS); agar company upgrade pace maintain nahi kar paayi, toh competitiveness lose ho sakti hai. Cyber-security, data protection, R&D ROI uncertainty, seasonality, FEMA/currency risk, past non-compliance, government-favoured contract terms, debt covenants, related-party transactions, land/ROW delays, quality defects, credit-rating downgrade, JV execution risk, hazardous operations, leasehold property, rising employee cost, fund-utilisation, IP protection, ROC discrepancies, M&A integration, ESOP cost, valuation write-downs, international expansion, internal control failures, dilution, ASM/GSM surveillance, macro-political, taxation, sovereign rating aur force-majeure risks ye sab milkar earnings volatility aur valuation risk create karte hain.

Breakup of revenue from Government and Non-government entities





STATE WISE REVENUE FROM TOP 10 STATES

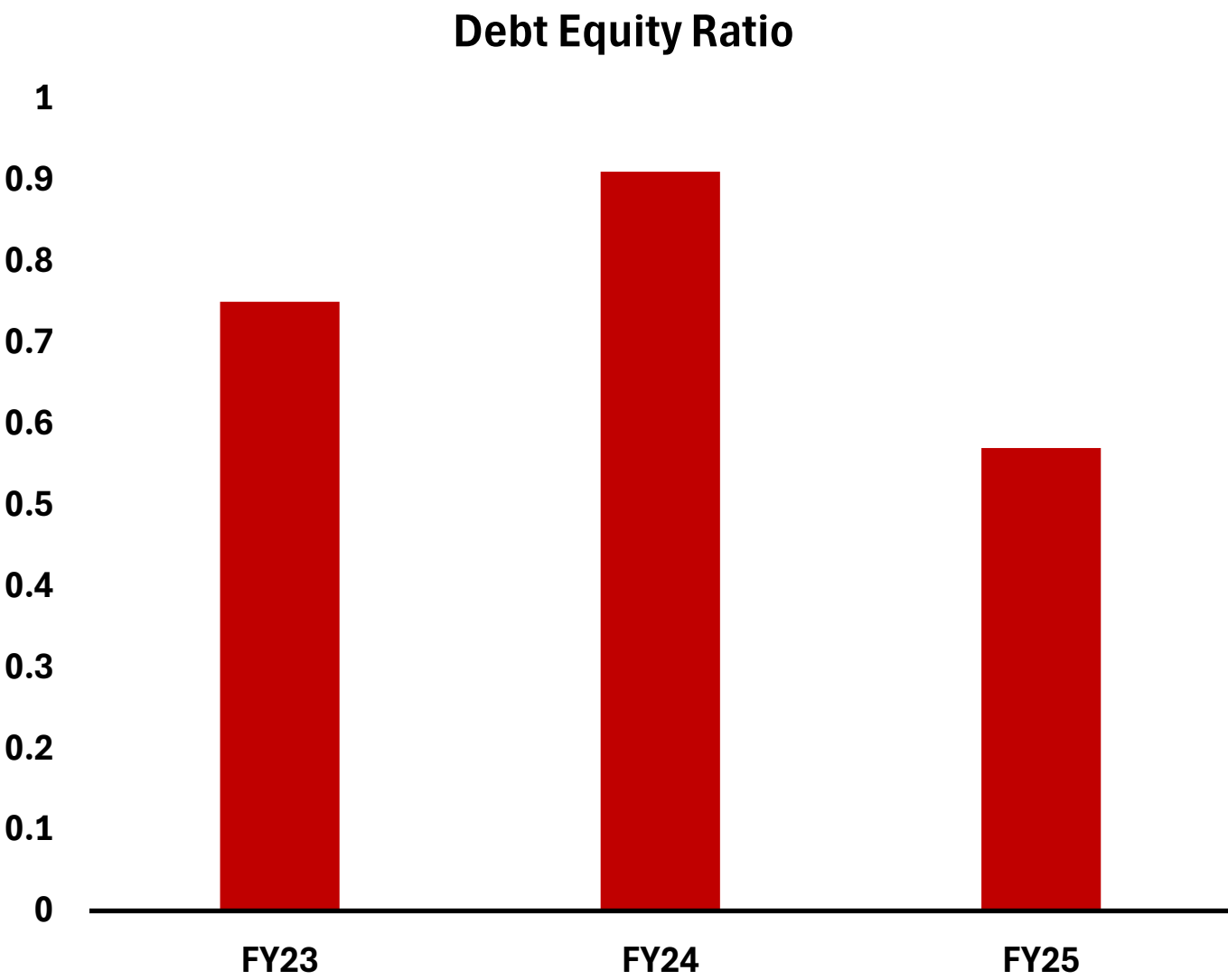
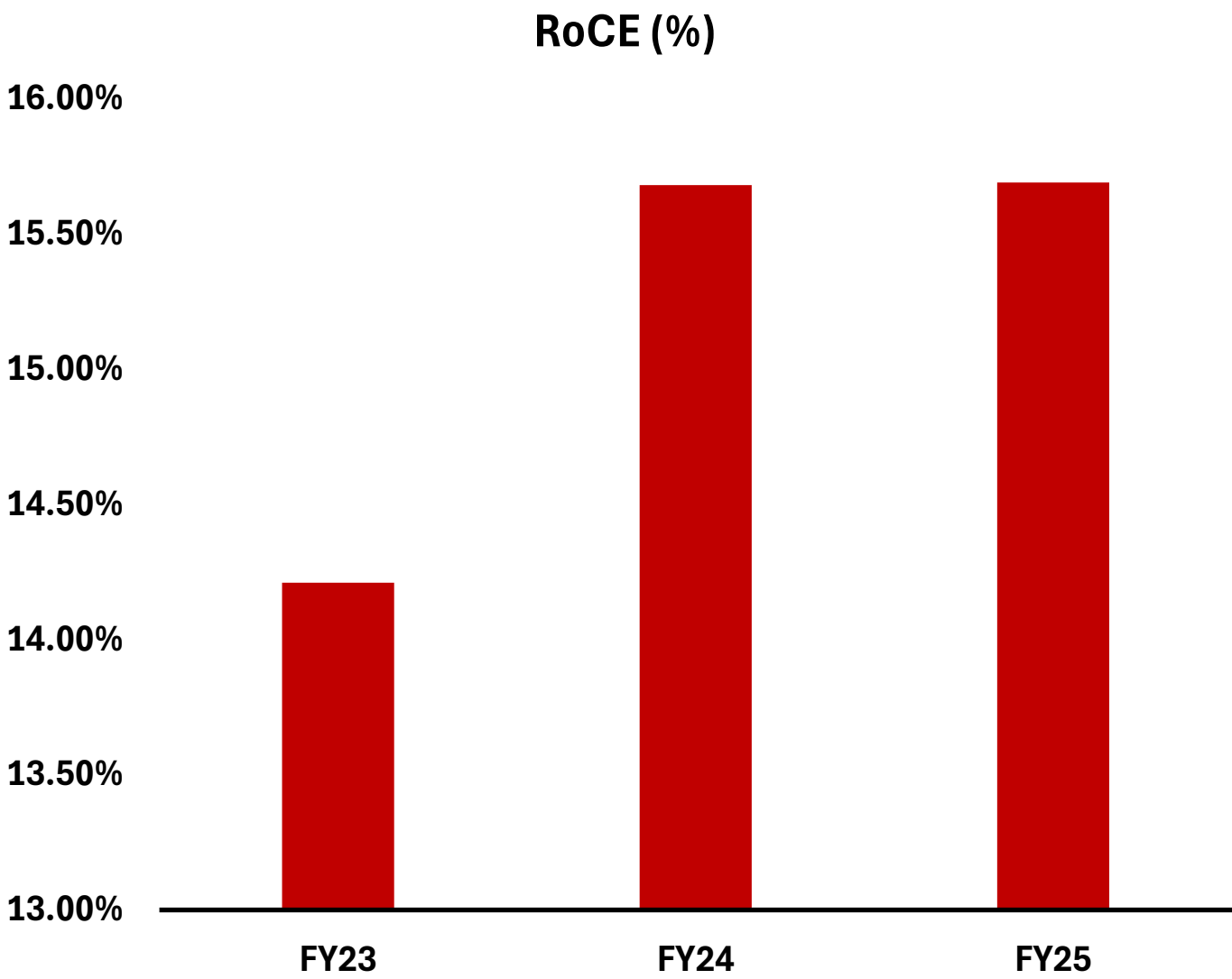
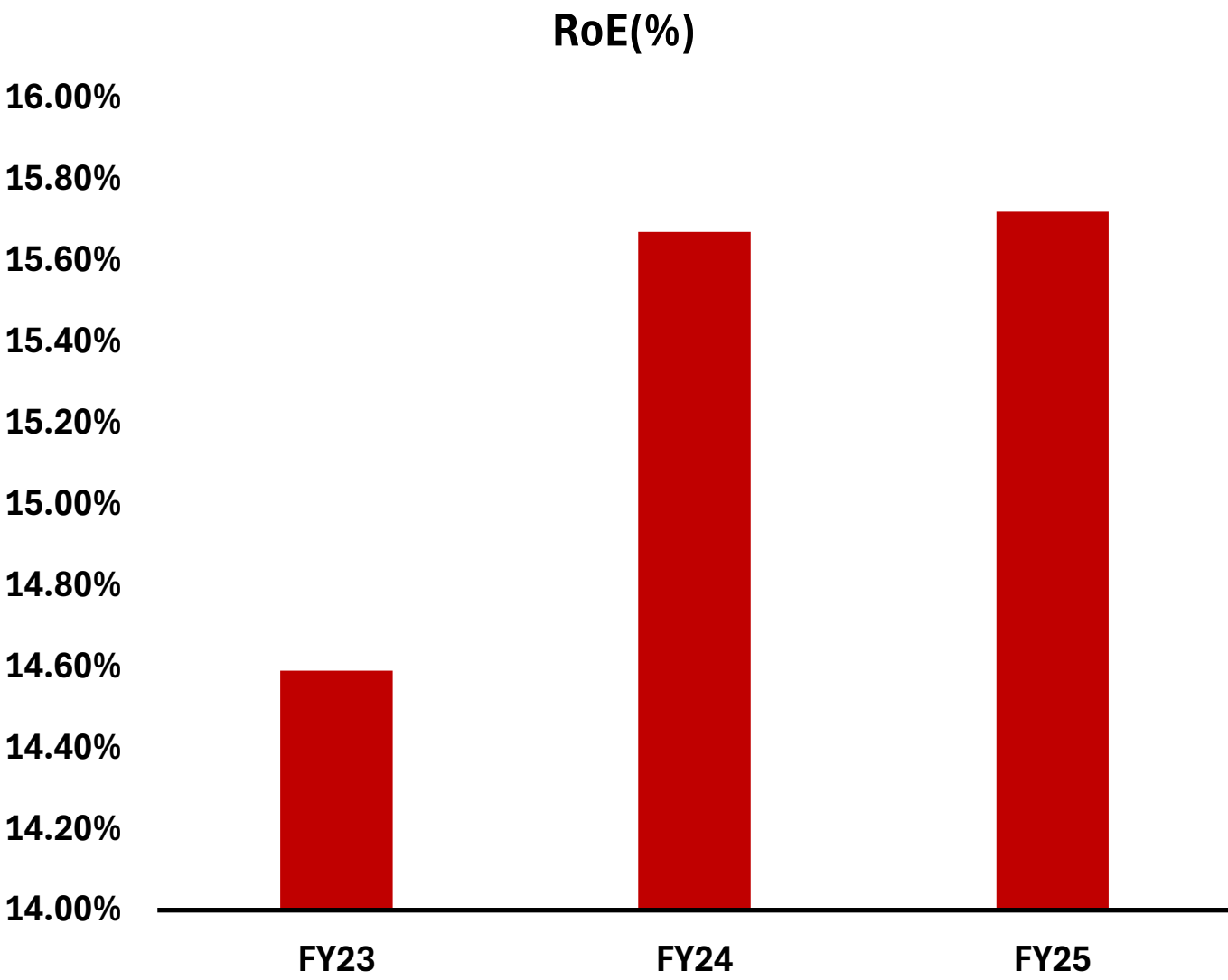
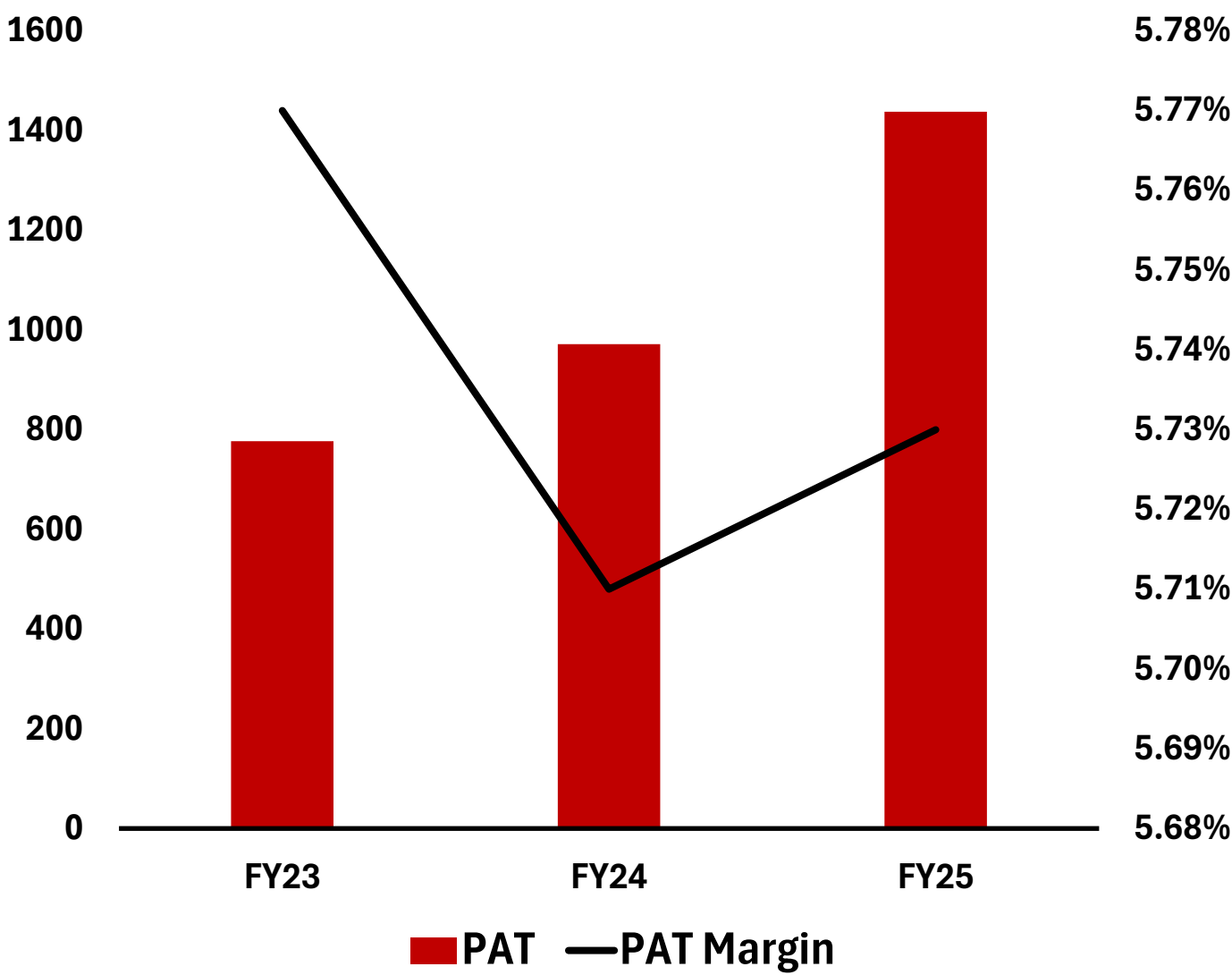
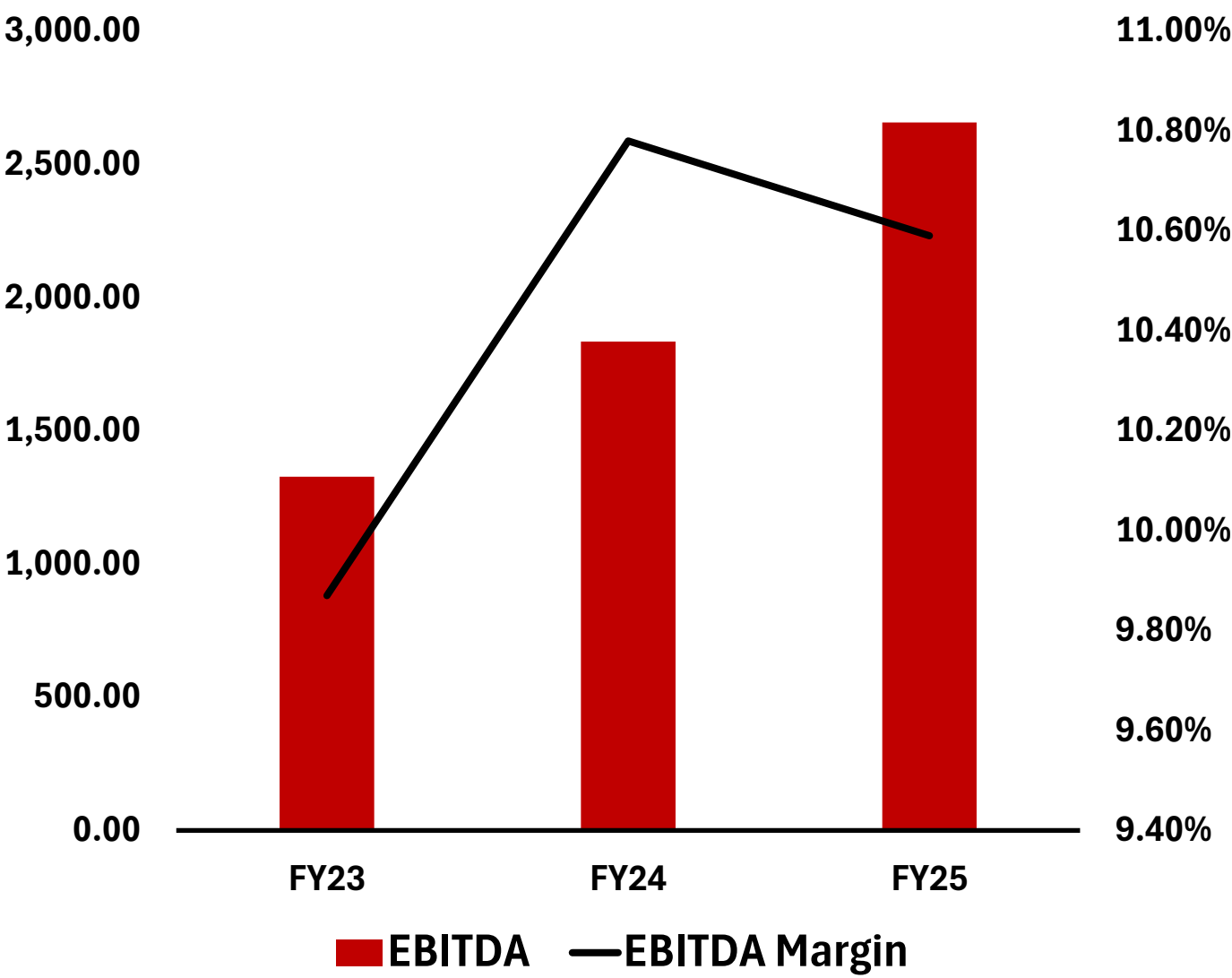
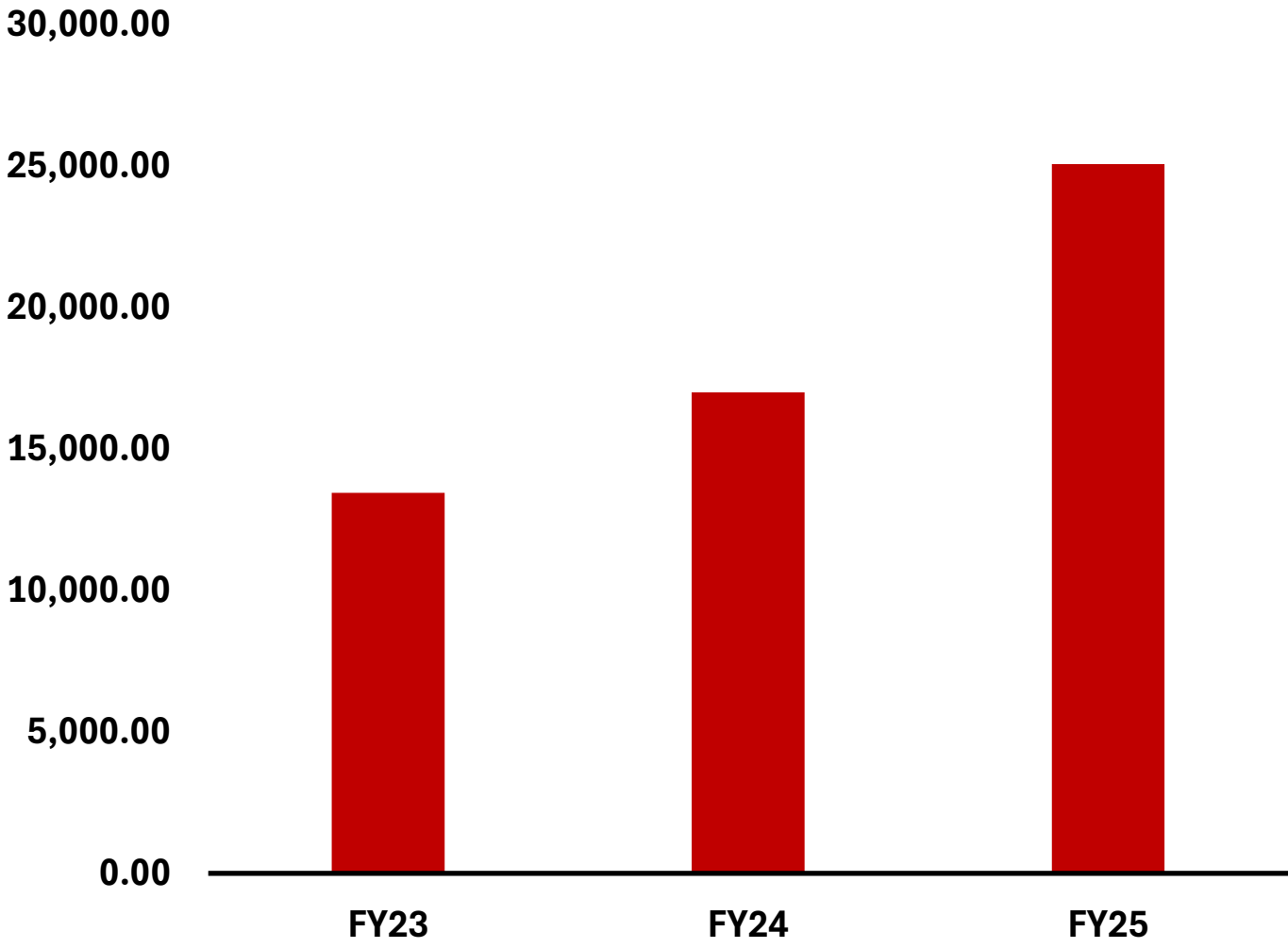


E TO E TRANSPORTATION INFRASTRUCTURE



FINANCIAL ANALYSIS (Rs in Lakhs)

Revenue from operations

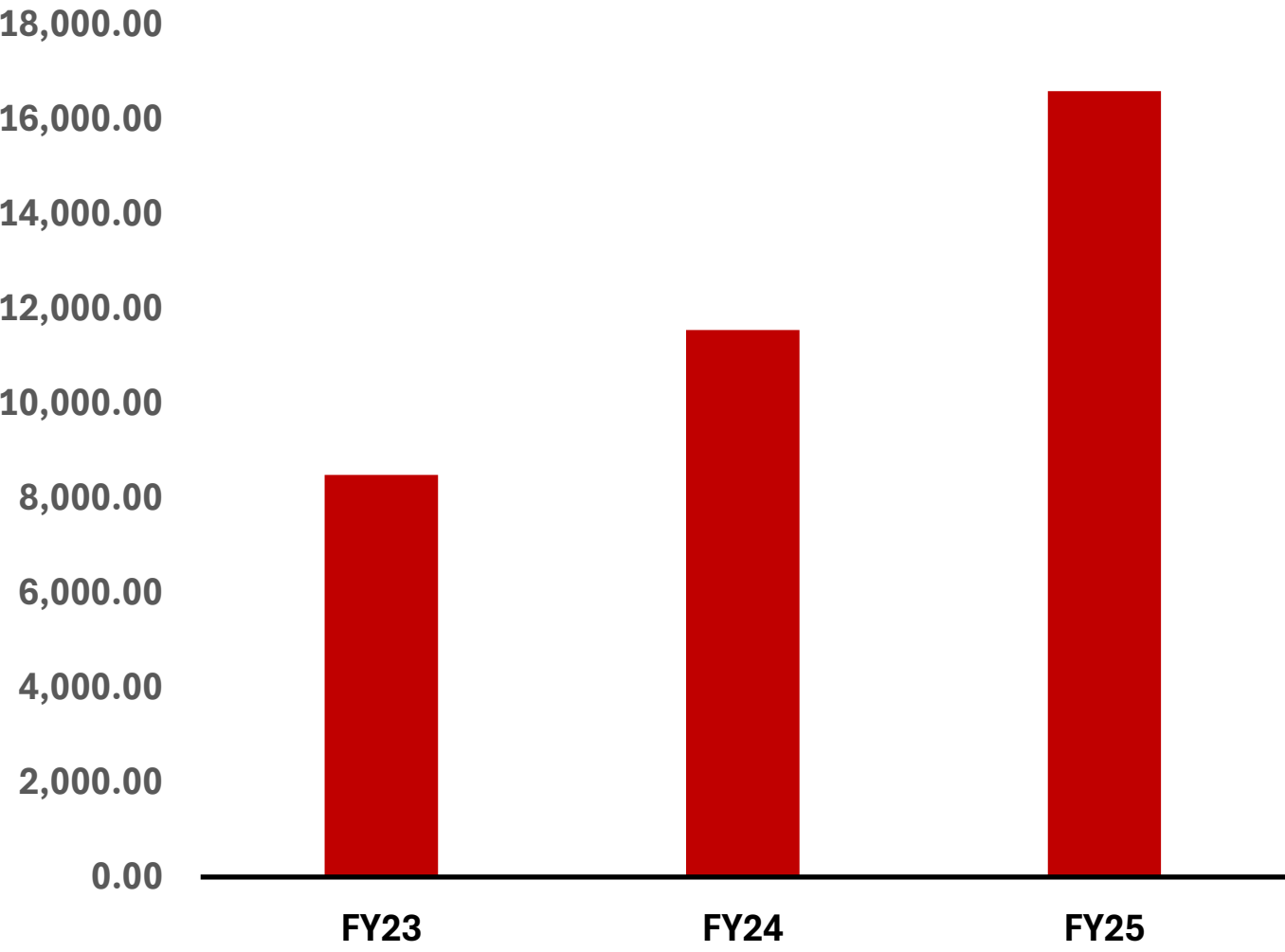


E TO E TRANSPORTATION INFRASTRUCTURE

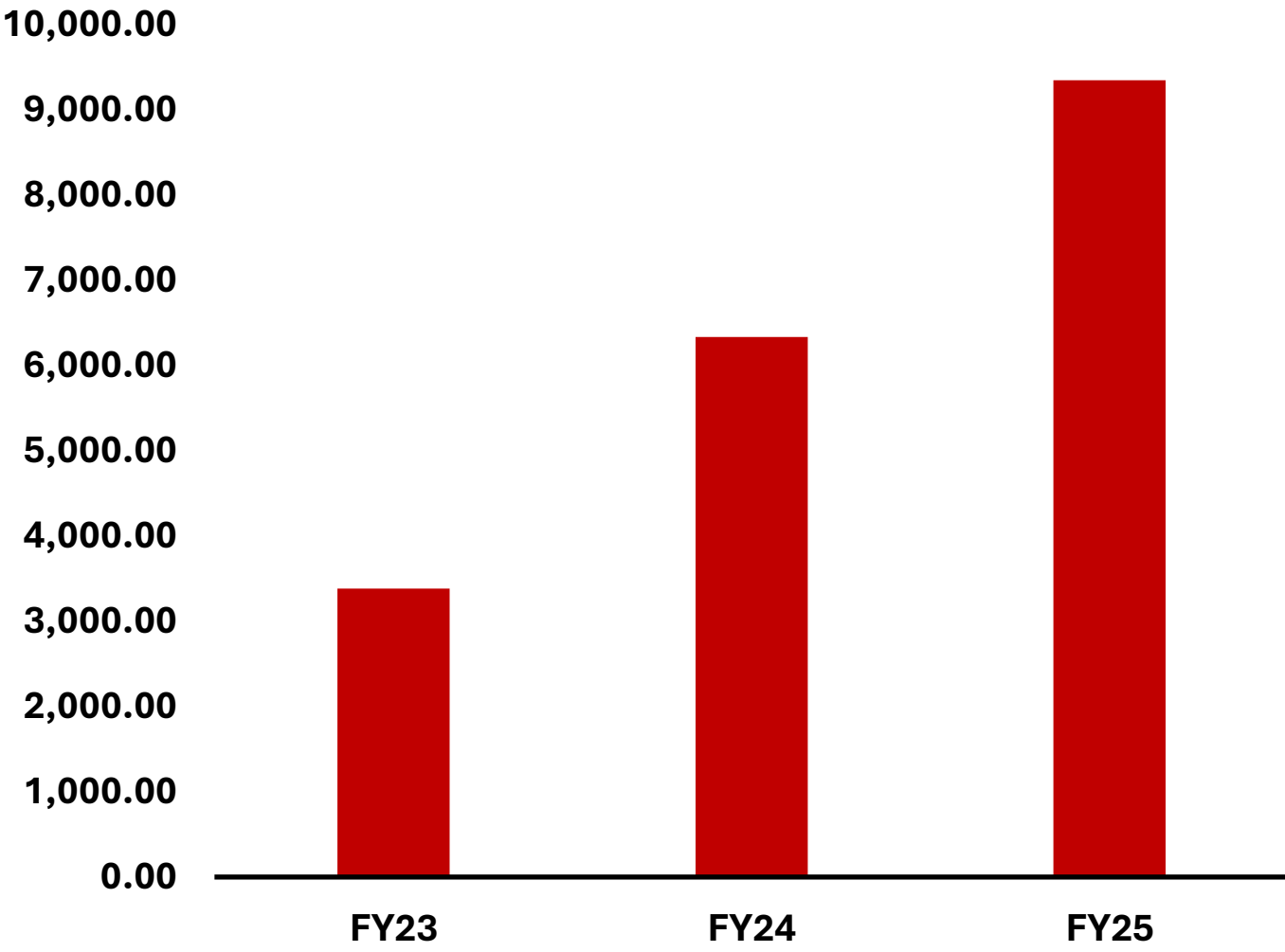


FINANCIAL ANALYSIS (Rs in Lakhs)

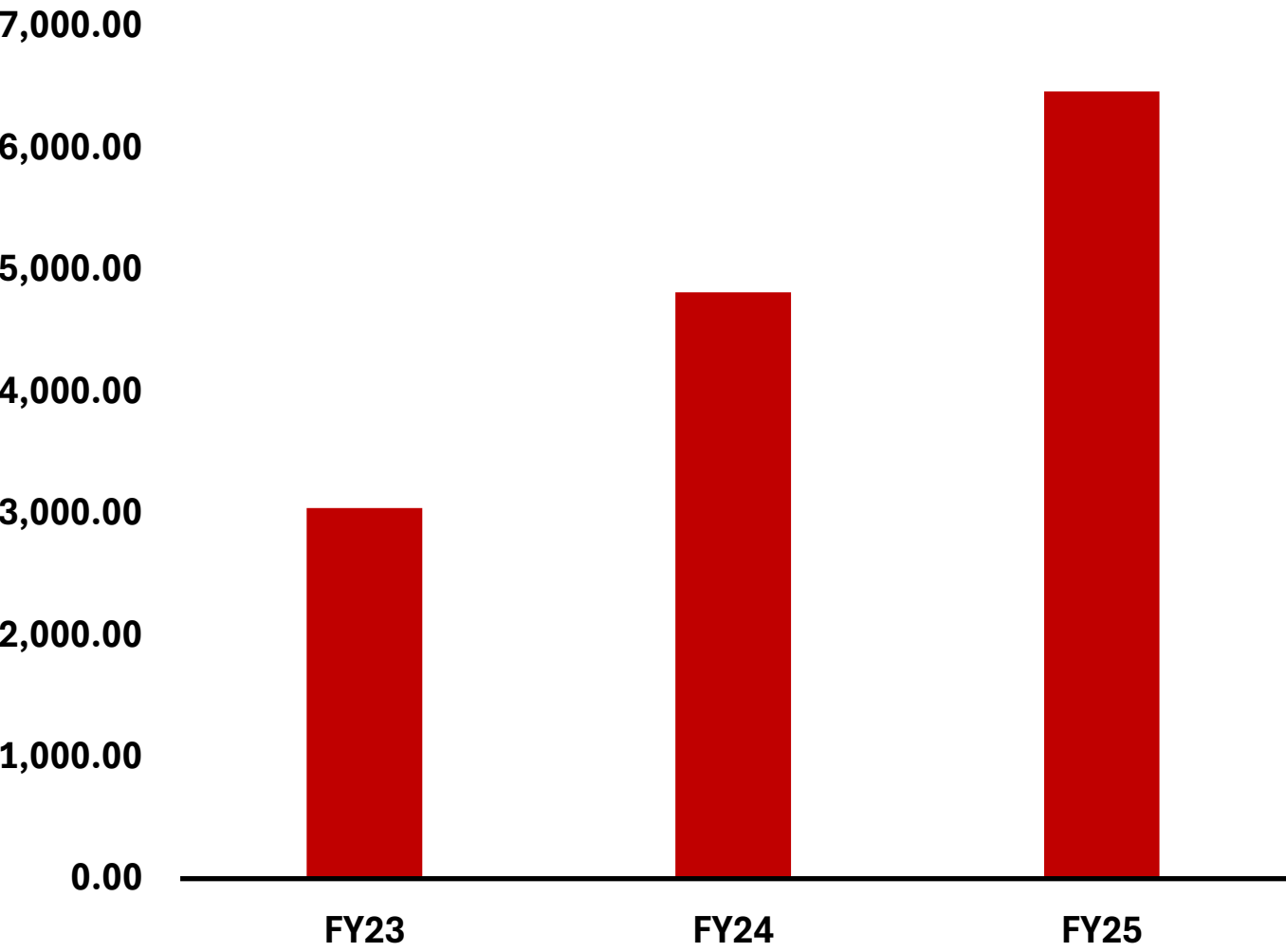
Working Capita



Trade receivables



Inventories



Cash and Bank balances

